

## **MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE**

### **MEETING MINUTES**

June 17, 2015 – 5:30 p.m.

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*6th Floor Council Conference Room, Council Office Building*

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#### ***Members Present***

Margo Briggs  
Warren Fleming  
Janice Freeman  
Julian Haffner

Cherian Eapen  
Herman Taylor, Chair  
Bethsaida Wong

#### ***Member Absent***

Mayra Bayonet

#### ***County Staff Present:***

Linda McMillan, County Council  
Mary Anne Paradise, County Council  
Linda Price, County Council

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### **I. Call to Order**

The meeting was called to order by Task Force Chair Taylor at 5:46 p.m. and the minutes of June 3, 2015, were unanimously approved by all members present. Members who were not present at that meeting questioned the decision to not invite the new Director of the Office of Procurement to attend a future meeting of the Task Force, and the issue was reconsidered.

Mr. Eapen made a motion, duly seconded, to invite Cherri Branson to attend a future meeting after the Task Force's draft recommendations are in place and a date is agreed upon. The motion carried unanimously.

### **II. Follow-up on Prior Business Items**

Ms. Price noted that Mr. Taylor's testimony on Bill 25-15, Economic Development - Reorganization - Montgomery County Economic Development Corporation, is included in the packet, and that the Council's Government Operations and Fiscal Policy Committee meeting on the Local Small Business Reserve Program is scheduled for July 23.

### **III. Worksession/Brainstorming**

Ms. Briggs and Ms. Freeman presented the following recommendations:

- Enhance outreach: helping business recognize and be prepared for opportunities, production of standard operating procedures, seminars, mandatory pre-bid conferences
- Increase staffing for the MFD Program – support staff to assist Alvin Boss
- Contract Administration – require prime contractors to meet established goals or attest to good faith efforts that are confirmed; and ensure follow-up measures have “teeth”.
- Monitoring – increased staffing is needed to make the program effective.

Ms. Wong commented that the County has conflicting definitions for the terms ‘local’, ‘minority’, ‘disabled’, etc.; and questioned who has the burden of proof regarding monitoring of the program. She said set-asides are needed for MFD businesses.

Mr. Taylor said a snapshot is needed of what is currently in place, and asked if the Council can be asked to defer action until the Task Force has completed its work, and that the recommendations should be vetted through the County Attorney’s Office. Ms. Price noted that goals vary by category.

Mr. Haffner said race-based preferences are looked upon skeptically by the Supreme Court, unless a disparity is documented; and that the Disparity Study provides ammunition to allow set asides, which would vary by category. He again encouraged members to be bold in making recommendations, noting that staff can determine the implications. He also noted the importance of improving Outreach as a potential recommendation.

Mr. Fleming, commenting on the underutilization of African American firms, reviewed his recommendations:

- Procurement Department accountability
- Updated RFP requirements updated
- Procurement best practices
- Increase department and agency awareness of minority participation
- LSBRP Minority Set-Aside contracts
- Establishment of a dedicated commission to oversee the recommendations of the Task Force
- Require a minimum number of bids from African American firms to improve the underutilization over the next five years

Ms. McMillan clarified the role of Sally Sternbach when she worked for the City of Rockville and its efforts to utilize local businesses. The requirement Ms. Sternbach mentioned to have at least one Rockville based bid was an informal practice.

There was discussion regarding pass-through procurement. Mr. Fleming offered to talk with Council staff offline to better understand the implications of this practice.

Mr. Taylor shared his initial recommendations.

- Establish a Program to Develop Prime Contractors
- Stringent Criteria for Waivers
- Accountability for subcontractor participation
- Review MFD Certification Process
- Increase formal interaction between the County and Chambers of
- Require all County contractors be subject to the MFD goals
- Make all adopted policy changes retroactive for existing contracts
- Improving financing options
- Performance based bonus tied to diversity inclusion

- 35% of contracts set aside, \$250,000 threshold set aside to Local Small mandate
- Local Small Business Reserve Program specifically for MFD businesses
- Communication and Outreach to small and minority businesses
- Requiring minimum number of bids from minority firms
- County implement recommendations in a prorated fashion

Initial recommendation categories that have emerged from the worksession include:

1. Goals/Set-aside
2. Outreach
3. Accountability
4. Increasing Capacity of MFD firms
5. Financing/capital

It was suggested that Mr. Taylor email the group to stress attendance going forward.

Mr. Zappold, attending the meetings on behalf of the Procurement Innovation Project, commented that the Task Force had a lot of good ideas.

The meeting adjourned at 7:56 p.m.